



CONTRIBUTORS DEPARTMENT.

CO-OPERATION.

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Co-operation has always been the favorite theme of the world's wisest and most philanthropic minds. Graduates of the Manchester school of political economists—the defenders of the competitive system, actuated by such maxims as "Grab all, keep all," "Laissez faire" and "the Devil take the hindmost," boast that their system is to be credited with the splendid individualities cropping out here and there to which they point with pride as self-made men, foolishly supposing such men as the Astors, Vanderbilts and Goulds to be ornaments to civilization, and knowing that in order to raise such men to such a giddy height of wealth, thousands if not millions must be plunged into the lowest depths of poverty, vice, crime and even death; yet they assert these favored few to be worth all that terrible cost to society.

Not choosing to agree that such a state should be the normal or healthy condition of human society, we charge that condition to the competitive system of production and distribution, and propose to set up in its place the co-operative system. No more truthful tribute to the superiority of this principle has ever been penned than the following glowing words from that pioneer co-operator George Jacob Holyoake, and in its every phrase the exact antithesis of the competitive system.

"Co-operation means concert for the diffusion of wealth. It leaves nobody out who helps to produce it. It touches no man's fortune; it seeks no plunder; it causes no disturbance to society; it gives no trouble to statesmen; it enters into no secret associations; it needs no trades union to protect its interests; it contemplates no violence; it subverts no order; it loses no dignity; it accepts no gift nor asks any favor; it keeps no terms with the idle, and it will break no faith with the industrious. It is neither mendicant, servile, nor offensive; it has its hand in no man's pocket, and does not mean that any hand shall remain long or comfortably in its own. It means self-help, self-dependence, and such share of the common competence as labor shall earn or thought can win. And this it intends to have, but by means which shall leave every other person an equal chance of the same good."

Not all of the mercantile schemes that have from time to time been launched upon the public under this name have been truly co-operative in their nature and results. They have often been mere joint-stock companies, and even where the method used has been a co-operative one, the distribution has been among a few only. Indeed, the end sought, if gained, was not a desirable one, for the

few who profited were lifted out of the ranks of the laborers, and the condition of the masses was worse than before.

It is proposed in these articles to offer for consideration a system of co-operation broad enough to embrace an entire community, dealing with each person merely as a consumer of the products of labor, and raising no question as to race, sex or calling in life. It is no class movement, nor is its success in the least dependent upon those petty enmities, spites and jealousies which have been the ruin of so many promising societies of various kinds.

And, curious as it may appear to some, we propose as a beginning, the co-operative store. But our store is conducted vastly different from any with which the student of the history of co-operation is familiar. The very capitalistic principle underlying our store and its distributions is wholly opposed to all those distributive schemes with which the reader is familiar. Instead of the prevailing method of distributing the profits piecemeal and in minute dribbles to the individual members, our profits are accumulated.

In the ordinary co-operative store the profits are segregated into infinitesimal bits, to be again frittered away by the individual, while those of our store are aggregated into a large amount and may be handled in a way to materially benefit the permanent condition of the whole membership.

Briefly, the plan is as follows:

Having ascertained that merchants add to the price of goods an amount to cover certain risks, we propose to insure our merchants against these losses. They are modestly stated as follows: Loss from bad debts through the credit system 5 per cent.; attracting customers, advertising, drummers, placards, etc., 3 per cent.; discounts for cash payments, 3 per cent.; keeping accounts and collecting, 5 per cent.; interest on capital invested, 5 per cent., total 21 per cent. Now this 21 per cent. the consumer has to pay, and our association proposes to save this to the merchant, he in return giving us a part, say 10 per cent., in the form of a rebate upon our purchases at the end of the month. The association is formed by a number of men electing officers, among whom we shall only mention the secretary-treasurer. A board of trustees are instructed to make a contract with some dealer in general merchandise to the effect that if the aggregate amount of sales to members shall reach a certain sum a certain agreed-upon discount or rebate shall be made, the same to be paid into the treasury of the association. In order to keep an exact account of such sales or purchases, a book of credit-coupons shall be issued by the secretary-treasurer

to each member. These coupons shall be printed in various amounts from one cent to one dollar, and in books containing some five and some ten dollars worth of these coupons respectively. These books are paid for in advance by the member to the secretary-treasurer and are used in paying the dealer from time to time as the purchases are made. The dealer takes these separate coupons to the office of the association on the first of each month and gets cash for them less the agreed-upon discount.

Let us see how this would work. Take, say a thousand men who have families. We will say they will expend \$5 as weekly living expense exclusive of rent, the first week's transactions disclosing an expenditure of \$5,000, and upon a basis of 10 per cent. rebate would leave in the treasury of the association the sum of \$500. In four weeks it would amount to \$2,000. The monthly rebate loaned out in sums of \$2,000 would at the end of the first year be represented thus:

First month	2,000 at 8 per cent.	\$160.00
Second "	2,000 " 8 "	146.63
Third "	2,000 " 8 "	133.30
Fourth "	2,000 " 8 "	119.97
Fifth "	2,000 " 8 "	106.64
Sixth "	2,000 " 8 "	93.31
Seventh "	2,000 " 8 "	79.98
Eighth "	2,000 " 8 "	66.65
Ninth "	2,000 " 8 "	53.32
Tenth "	2,000 " 8 "	39.99
Eleventh "	2,000 " 8 "	26.66
Twelfth "	2,000 " 8 "	13.33

Total \$24,000 \$936.78

Principal and interest combined, we have a capital for the

First year	\$24,936.78
Second "	51,869.59
Third "	80,954.76
Fourth "	112,307.90
Fifth "	146,294.08

At the end of the fifth year, it will be seen, our one thousand purchasers have an accumulation of \$146,294.08 at simple interest. Compounded semi-annually it would be considerably larger. Invest this amount in an industry large enough to employ five hundred "hands," and our purchasers are employed in their own building, upon their own land, and with their own machinery, and owe no obligations to any capitalists, nor pay tribute to any landlord. Nobody is injured, while many are benefited. But the various accumulating sums should be invested as soon as an amount large enough to start a respectably large industry is in hands. Among the industries suited to this locality might be mentioned woolen mills, with tailoring establishments attached, tanneries, boot and shoe factories, canning factories and flouring mills.

In the cities working men might make

these sums a basis for a loan and home-stead association the benefits of which would not cost the member a single cent for dues, premiums, fines, assessments or other charges. A member wanting a dwelling would submit his plan to the association, the house would be faithfully and honestly built in pursuance thereof, and his monthly installments would be pro rated over a given time to pay the exact cost of the building and land, with interest if the company was a borrower, but without interest if built from funds already on hand.

The reader will not require to have a very fertile imagination in order to see very readily how these constantly increasing sums could be invested to the interest of the member, and to understand also how immeasurably better such a plan would be than any system of mere petty savings, where each member would receive at stated times a small dividend, which he would immediately proceed to spend in another way.

Such is the rough and general outline of this plan of co-operation. But there is absolutely no limit to the operations of a company formed upon this plan. The writer is firmly of the opinion that it would revolutionize business methods—in fact a good title would be "The Reorganization of Business." It has been submitted to some of the best and sharpest real-estate men and capitalists in this locality and they were all heartily—opposed to it. So far so good; some men's blame is better than their praise. It will break up land speculation and destroy the money-lending business.

But there are many questions arising, which we propose to attempt to meet in a series of articles in THE ADVOCATE. There are several queries as to how and in what manner the plan could be best applied to rural communities, and there are questions concerning the manner of organization, power of its board of directors or trustees, the matter of membership and the manner of apportioning or distributing benefits. A most interesting phase of the subject is the power of the coupon-credit. In a future article I desire to show that at no very distant day we shall be independent of the money sharks and manipulators, and all by means of our system of book-keeping. This we can do as soon as we get an industrial circle organized, in which to circulate our credits.

We shall endeavor to take a few lessons from our friends the bankers. We'll organize a clearing house, as well as they.

In our future articles it will not be necessary to weary your readers with so many words as are contained in this. My excuse is that the sketch of the plan could not be crowded in much smaller compass.